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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
WASHINGTON 25, D. C.

October 2, 1945

SHIPPING AND STORAGE BRANCH MEMORANDUM NO. 41.2-AMENDMENT 1

Undelivered Purchase Contract Balances

Shipping and Storage Branch Memorandum No. 41.2 sets up a procedure for the reporting of undelivered purchase contract balances. Effective immediately, Page 2, Paragraph II B of this Memorandum is amended to the effect that the Storage Section of the field offices of the Shipping and Storage Branch shall direct a report to the Chief of the Storage Division in Washington covering delinquencies by contractors. The Chief of the Storage Division in Washington will be responsible for forwarding the report through the Director of the Shipping and Storage Branch to the appropriate Commodity Branch Director.

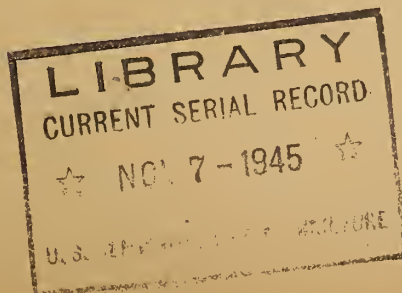
It is important to the work of the entire Production and Marketing Administration that reports be made to the Commodity Branches on those contractors who fail to meet delivery terms. Therefore each employee of the Shipping and Storage Branch responsible for placing orders with vendors for delivery on contracts must see that, when contractors fail to make delivery, the provisions of Memorandum 41.2, with the above change in reporting procedure, are immediately adhered to.

In order to be of the greatest assistance to the Commodity Branch responsible for the contract involved, please endeavor to secure as much information as possible as to the reason for failure to deliver and pass that information along with your report in connection with the undelivered contract balances to the Chief of the Storage Division in Washington.

Very few reports covering undelivered purchase contract balances have been made to date. Please see that our records in this respect are cleared promptly and that future delinquencies by contractors are reported immediately.

S. E. Cotnam
S. E. Cotnam, Lt. Col., C.E.
Acting Director, Shipping & Storage Branch

Distribution Code "A" and "B"



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Storage

Vendor Availability

UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
WASHINGTON 25, D. C.

SHIPPING AND STORAGE BRANCH MEMORANDUM NO. 41.2 (REV. 1)

Undelivered Purchase Contract Balances

I Purpose

- A. The purpose of this memorandum is to provide for the maintenance of a strict control and the reporting of all commodities, except frozen meat, which are ordered from vendors and have not been shipped in accordance with the terms of the purchase abstract. Provision is made for placing past due items in a "suspense" category of the "Control of Ordered But Not Shipped to Warehouse Only" report - (Form CCC-207).
- B. The method of reporting past due shipments of frozen meat is set forth in SSB Memo. No. 43.1, Rev. 2, dated December 17, 1945.

II Definitions of Terms Used Herein

Unless otherwise specifically provided in the purchase abstract, the following definitions, patterned after "Standard Contract Conditions" (Form PBT-400), will apply:

"Time for Delivery" means the date of delivery, or the last day of the contractual delivery period, or the tenth day following receipt of the Notice to Deliver, whichever is latest.

"Past Due Shipment" means those commodities which have been ordered from vendors but which have not been shipped by the Time for Delivery.

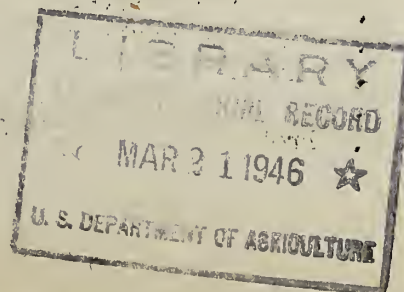
III Responsibility of Field Offices to Control Reports of Items Ordered But Not Shipped

A. Ordering Commodities from Vendors

The field office is responsible for and shall order commodities from vendors and prepare shipping instructions taking into consideration the time for delivery. The purchase abstract will include information concerning the applicability of Standard Contract Conditions (Form PBT-400) or of any modifications thereof particularly with reference to the requirements concerning delivery.

Distribution Codes "A" and "B"

March 11, 1946



B. Policing Vendors for Shipments

The field office is responsible for and shall:

1. Police vendors before any order falls into the category of a past due shipment and to make sure that shipments are made in accordance with the shipping instructions.
2. In connection with any items that are in the category of a past due shipment, ask vendor to telegraph the commodity branch in Washington requesting an amendment to, or cancellation of the contract or any portion thereof, as may be reflected in the items of the past due shipment. The telegrams shall cite the order ticket number.
 - a. The commodity branch will furnish the Program Operations Divisions, Washington, with an advance copy of any contract amendment which is granted in compliance with a vendor's request. This amendment shall include the order ticket number.
 - b. The Pro. O. Div., Washington, shall teletype a transcript of the advance copy of the contract amendment to the field office.
 - c. The field office shall not issue shipping instructions covering past due shipments until specific information has been received that the contract has been amended to provide for delivery beyond the original time for delivery.

C. Reporting Past Due Shipments

The field office shall refer to copies of the purchase abstract and the Notice to Deliver in order to determine the proper date for use in computing past due shipments; and fifteen days after the expiration of the time for delivery shall prepare Form SS-57 in quadruplicate for each past due shipment furnishing within the form:

1. Commodity
2. Order Number
3. Sub number
4. Contract number
5. F.O.B. point
6. Name of Vendor
7. Time for Delivery
8. Purchase abstract number
9. Date ordered out
10. Reason for delay
11. Probable date of shipment

Forms SS-57 shall be distributed by the field office as follows:

- Original and *1 copy - Chief, Program Operations Division,
Washington
- 1 copy - Chief, Inventory Accounting Division,
Washington
- 1 copy - Files of field office
- *copy shall be forwarded by the Chief,
Pro. O. Div. to - appropriate commodity branch - FMA

IV Adjustment of Ordered But Not Shipped Items

On the date Forms SS-57 are dispatched which report that a shipment from any vendor is past due (as outlined in Par. III of this memorandum), the field office shall adjust the "Ordered But Not Shipped Reports" (Form CCC-207), so that the items which are being reported as past due will be placed in a "Suspense" column under the heading of "Ordered But Not Shipped", (Complete information for the maintenance of field inventories is set forth in SSB Memo. No. 35.2, Rev. 1 "Field Offices Inventory of Commodities", dated December 17, 1945.)

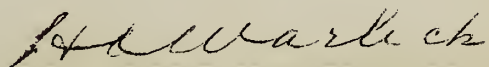
V Amendment or Cancellation of Purchase Contract

Fifteen (15) days after the report of past due shipments (Form SS-57) has been transmitted to the appropriate commodity branch and provided the purchase contract has not been amended or canceled (in whole or in part) the Chief, Pro. O. Div., Washington, shall request the appropriate commodity branch to furnish:

1. An amendment to the contract or an administrative statement (provided shipment is made or is to be made subsequently) or
2. A cancellation of contract (provided shipment will not be made and the shipping instructions must be canceled) or
3. Advice as to what action will be taken until contract is amended or canceled.

VI Superseded Memorandum

This memorandum supersedes SSB Memo. No. 41.2 "Undelivered Contract Balances" dated August 24, 1945, and Amendment 1 dated October 2, 1945, and is effective March 21, 1946.


H. O. Warlick, Director
Shipping and Storage Branch

1. The first of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

2. The second of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

3. The third of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

4. The fourth of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

5. The fifth of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

6. The sixth of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

7. The seventh of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

8. The eighth of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

9. The ninth of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

10. The tenth of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

11. The eleventh of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

12. The twelfth of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

13. The thirteenth of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

14. The fourteenth of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

15. The fifteenth of the following is a list of the names of the persons who have been named in the report of the Committee on the Administration of the Government of the District of Columbia.

UNDELIVERED PURCHASE CONTRACT BALANCES

623.3

CCC

SS

Operating Inventory

I PURPOSE AND SCOPE

A The purpose of this Instruction is to provide for the control and reporting of all fresh and processed commodities, which are ordered from vendors and have not been shipped in accordance with the terms of the purchase contract.

B Provision is made for placing past due items in a "suspense" category of Control of Ordered But Not Shipped to Warehouse Only, Form CCC-207, which is described in SS Branch Instruction 623.4 entitled "Summary Availability Reports."

C Provision is also made to obviate the necessity of issuing shipping instructions to any vendor who has verbally informed the field office of origin that the commodity will not be available for delivery within the period specified in the purchase contract.

D The CCC field office serving the area where vendor's plant is located, (or where purchase abstract indicates vendor's home office is to receive shipping instructions rather than the plant, the CCC field office having jurisdiction over territory where vendor's home office is situated) is known as the field office of origin. This Instruction is applicable to SS Divisions or Com. O. Divs. of field offices of origin.

II DEFINITIONS OF TERMS USED HEREIN

Unless otherwise specifically provided in the purchase abstract, the following definitions, patterned after "Standard Contract Conditions" (Form PMA-100, formerly Form PBT-400) will apply:

"Time for Delivery" means the date of delivery, or the last day of the contractual delivery period, or the tenth day following receipt of the Notice to Deliver, whichever is latest.

"Past Due Shipment" means those commodities which have been ordered from vendors but which have not been shipped by the Time for Delivery.

III RESPONSIBILITY OF FIELD OFFICES

A Order Commodity from Vendor

The field office is responsible for and shall order commodities from vendors and prepare shipping instructions taking into consideration the time for delivery. The purchase abstract will include information concerning the applicability of Standard Contract Conditions (Form PMA-100 or

(III A)

PBT-400) or of any modifications thereof particularly with reference to the requirements concerning delivery.

B Vendor Advises Commodity is Unavailable

Prior to the issuance of shipping instructions, should a vendor advise field office that he will be unable to furnish the commodity in accordance with the delivery date specified in the contract, the field office will

1 Prepare for the signature of the Director of the field office, a letter in quintuplicate (see Exhibit A attached).

a The language in the attached exhibit has been administratively and legally approved. Do not deviate therefrom. 1/

b The dates to be inserted in the blank spaces of paragraph 2 of the letter following the words "pursuant to the contract for delivery during the period" _____ to _____, shall be the delivery date(s) specified in the purchase abstract.

2 Mail original letter to vendor
Copy to Chief, Pro. O. Div., Washington
Copy to Fiscal Division
*Copy to Contracting Officer

*NOTE: If the contract was negotiated by a commodity branch, PMA, in Washington, mail 2 copies of letter to Chief, Pro. O. Div. (1 copy will be transmitted by that office to the appropriate commodity branch.)

If the contract was issued in the field the CCC field office will make distribution of copy direct to the local contracting officer.

3 Staple copy of letter to the particular purchase abstract.

1/ The words "telephone conversation" may be changed to "letter" or "telegram" in order to agree with the method of communication employed by the vendor.

(III B 3)

a Upon receipt of an amendment to the contract, CCC field office will prepare shipping instructions for the delivery of the commodity under the revised delivery date. The following notation will be typed on all copies of the N/D:

"See our letter to vendor dated _____.
This N/D is in accordance with amendment
dated _____."

C Policing Vendors for Shipments as Ordered

The field office is responsible for:

1 Policing vendors before any order falls into the category of a past due shipment and making sure that shipments are made in accordance with the shipping instructions.

2 In connection with any items that are in the category of past due shipments, advising vendor to telegraph the commodity branch in Washington relative to any adjustment of the contract. The telegram will include the Notice to Deliver Number.

a With respect to items purchased through contracts of the Dairy Branch which contain a "Liquidated Damages" clause, and which are in the category of a past due shipment, the Dairy Branch will not amend a contract to extend the time for delivery. Therefore, even though a vendor may request amended delivery date(s), the Dairy Branch in such instances will issue a telegram or letter of advice to vendor, instructing him to obtain subsequent shipping instructions from the appropriate CCC field office.

(1) An advance copy of this letter or telegram of advice will be furnished the Pro. O. Div., SS Branch, Washington, who will transmit the information to the appropriate CCC field office.

b The commodity branch will furnish the Pro. O. Div., SS Br., Washington, with an advance copy of any contract amendment which is granted in compliance with a vendor's request. This amendment will include the order (N/D) number. 1/

c The Pro. O. Div., SS Br., Washington, will teletype a transcript of the advance copy of the contract amendment to the field office.

1/ This applies only to amendments changing delivery date(s).

(III C 2 d)

d The field office shall not issue subsequent shipping instructions covering past due shipments until specific information has been received that the contract has been amended to provide for delivery beyond the original time for delivery. All such subsequent N/D's should carry a footnote that "this N/D replaces N/D dated _____ on which vendor was unable to ship."

D Semiweekly Report of Past Due Shipments

1 The field office will refer to copies of the purchase abstract and the Notice to Deliver in order to determine the proper date for use in computing past due shipments; and at the expiration of the time for delivery, as of the c.o.b. each Tuesday and Friday (or whenever a special report is specifically requested by the Deputy Director, SS Br., Washington) will:

a Prepare in duplicate and transmit a teletype addressed: "Personal Attn. Chief, Pro. O. Div." listing (1) purchase contracts which have become past due since the submission of the last report; and (2) those contracts which were previously reported past due but which have been completed and are no longer past due. Under item (1), i.e., contracts reported past due for the first time, which will be headed "First Report - Past Due" furnish the following information:

Contract Number
Name and address of vendor
Exact quantity (net pounds) past due
Vendor's reason for inability to ship as scheduled

Under item (2), i.e., contracts previously reported past due but since completed, which will be headed: "Remove From Past Due" furnish the following information:

Contract Number
Name and address of vendor

NOTE: Wherever, on any reporting date, there are no purchase contracts in the past due category, the field office will prepare the required (semiweekly) teletype report and include therein the following statement: "No purchase contracts past due this period."

(III D 1)

b Furnish Fiscal Division duplicate copy of teletype. This will serve to notify Fiscal Division that vendor is unable to ship commodity as ordered.

2 When the final report is submitted for any calendar month it will contain a third item of information, i.e. all those contracts previously reported and still remaining past due. This third item will be headed: "Previously Reported."

IV RESPONSIBILITY OF PRO. O. DIVISION

Upon receipt of teletype listing past due purchase contracts, the Pro. O. Div., SS Br. will prepare for the signature of the Director, SS Br., a memorandum to the Director of the appropriate commodity branch citing purchase contracts on which shipments are past due, and requesting prompt advice as to the action to be taken by the commodity branch. 1/

V ADJUSTMENT OF ORDERED BUT NOT SHIPPED ITEMS

A When a teletype report of past due shipment is made to the Chief, Pro. O. Div., SS Br., as outlined in Par. III, D, above, the reporting SS Division (covering the location of the vendor) will adjust the Control of Ordered But Not Shipped to Warehouse Only, Form CCC-207, so that the items reported past due will be placed in the "In Suspense" column of the space under the heading "Ordered But Not Shipped."

B Items which are so transferred to suspense will be INCLUDED in the total figures of the commodities 'ordered but not shipped to warehouses' in the Monthly Availability Report that is submitted to the Chief, Pro. O. Div. (See SS Br. Instr. 623.4, para. III, C.)

VI RELATED INSTRUCTION

SS Br. Instruction 623.4, Summary Availability Reports, contains detailed information on operating functions or reports relevant to the provisions contained herein.

1/ The Pro. O. Div. will periodically follow-up on any past due shipments where advice has not been received from the commodity branch as to the action taken.

VII SUPERSEDED INSTRUCTION

This Instruction is effective January 1, 1948, and supersedes SS Br. Instruction 41.2, Rev. 2 entitled "Undelivered Purchase Contract Balances" dated June 24, 1946, and as subsequently revised.

* * *



H. O. Warlick, Director
Shipping and Storage Branch

John Smith Company
2500 South White Street
Chicago, Illinois

Re: Contract No. _____
_____ pounds _____

Gentlemen:

This is to confirm the telephone conversation between Mr. _____ of this office and your Mr. _____ on _____ wherein Mr. _____ stated that _____ units of the commodity under Contract No. _____ are not available for delivery as requested and will not be available for delivery on or before _____.

Please be advised that we are prepared to send you "Notice to Deliver" and accompanying shipping documents for delivery of _____ of _____ pursuant to that contract for delivery during the period _____ to _____ but are not doing so at this time solely because of this advice received from your representative and of course because the destination designated in shipping instructions may depend upon the time the commodity is available for delivery. This office has no authority to change any of the conditions of the contract. Consequently our failure to forward the foregoing papers does not sanction delays nor waive any rights because of defaults in performance of the contract including the right to terminate on account of any such defaults.

Shipping instructions cannot be issued subsequent to the original delivery period, unless we have been notified of an amendment to the contract extending such delivery period. This amendment may be requested by you from the contracting officer of this Administration with whom the contract was negotiated.

Please sign attached copy of this letter in space provided, and return to this office.

Very truly yours,

(Name of Director of CCC
Field Office)

Signature of Vendor - (Date)

